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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

TELEPHONE: (202) 224-5175 FAX: (202) 224-5619

December 8, 2017

1055

The Honorable Ajit Pai Chairman Federal Communications Commission 445 12th Street Southwest Washington, DC 20554

Dear Chairman Pai:

In advance of the Federal Communications Commission's (FCC) upcoming vote on proposed changes to the existing net neutrality rules, we are writing to emphasize the importance of an open and free Internet to the nation's small business community. The structure of these crucial regulations must maintain a level digital playing field for businesses of all sizes and we implore the FCC to fully honor the unique challenges that small businesses face in an online market and to reject changes that could disadvantage this important sector of our economy.

The concept of a fair and open Internet prevents discriminatory practices that could favor larger companies online - like higher costs for faster delivery speeds or prioritization of provider content. Small businesses are particularly dependent on high quality Internet services in order to increase their consumer base and expand their operations and are much less likely to have the resources to invest in this kind of 'pay-to-play' system. Research shows that 47 percent of people expect a web page to load in two seconds or less and 40 percent will abandon a web page if it takes more than three seconds to load. Increased costs or slower speeds could severely limit the small business community's ability to attract customers, communicate with vendors, manage data and recruit talented employees.

Inequities in Internet service can also limit our nation's economic growth by increasing launch costs for entrepreneurs and companies seeking to expand. Many new and smaller businesses rely on high-speed Internet access to build name recognition and seek out investors without incurring initial major overhead costs. In 2014, startups created approximately 2.5 million jobs, representing roughly 2.1 percent of total U.S. employment. Changes to the net neutrality rules could inflate entry barriers and loosen the control that small businesses have over how they reach their customers.

As the lynchpins of many local communities, small businesses deserve our support. We ask that the FCC closely examine how changes to the current net neutrality regulations could unfairly disadvantage small businesses and give full consideration to comments submitted for the record addressing such concerns before the Commission's scheduled December 14 vote. Thank you for your immediate attention to this matter.

Sincerely,

Jeanne Shaheen

United States Senator

Benjamin L. Cardin United States Senator

Tammy Duckworth United States Senator Maria Confued

Maria Cantwell United States Senator

Mazie K. Hirono United States Senator

CC: The Honorable Mignon Clyburn, Commissioner The Honorable Michael O'Rielly, Commissioner The Honorable Brendan Carr, Commissioner The Honorable Jessica Rosenworcel, Commissioner



April 24, 2018

The Honorable Benjamin L. Cardin United States Senate 509 Hart Senate Office Building Washington, D.C. 20510

Dear Senator Cardin:

Thank you for your letter regarding the *Restoring Internet Freedom Order*, which reestablished the authority of the Federal Trade Commission to oversee the network management practices of Internet service providers while returning to the light-touch legal framework that governed such practices for almost twenty years.

At the dawn of the commercial Internet in 1996, President Clinton and a Republican Congress agreed that it would be the policy of the United States "to preserve the vibrant and competitive free market that presently exists for the Internet . . . unfettered by Federal or State regulation." This bipartisan policy worked. Encouraged by light-touch regulation, the private sector invested over \$1.5 trillion to build fixed and mobile networks throughout the United States. Innovators and entrepreneurs grew startups into global giants. America's Internet economy became the envy of the world.

Then, in early 2015, the FCC jettisoned this successful, bipartisan approach to the Internet and decided to subject the Internet to utility-style regulation designed in the 1930s to govern Ma Bell. This decision was a mistake. For one thing, there was no problem to solve. The Internet wasn't broken in 2015. We weren't living in a digital dystopia. To the contrary, the Internet had been a stunning success.

Not only was there no problem, this "solution" hasn't worked. The main complaint consumers have about the Internet is not and has never been that their Internet service provider is blocking access to content. It's that they don't have access at all or enough competition between providers. The 2015 regulations have taken us in the opposite direction from these consumer preferences. Under Title II, annual investment in high-speed networks declined by billions of dollars—the first time that such investment has gone down outside of a recession in the Internet era. And our recent Broadband Deployment Report shows that the pace of both fixed and mobile broadband deployment declined dramatically in the two years following the *Title II Order*.

Page 2—The Honorable Benjamin L. Cardin

By returning to the light-touch Title I framework, we are helping consumers and promoting competition. Broadband providers will have stronger incentives to build networks, especially in unserved areas, and to upgrade networks to gigabit speeds and 5G. This means there will be more competition among broadband providers. It also means more ways that companies of all kinds and sizes can deliver applications and content to more users. In short, it's a freer and more open Internet.

The Restoring Internet Freedom Order also promotes more robust transparency among ISPs than existed three years ago. It requires ISPs to disclose a variety of business practices, and the failure to do so subjects them to enforcement action. This transparency rule will ensure that consumers know what they're buying and that startups get information they need as they develop new products and services.

Moreover, we reestablish the Federal Trade Commission's authority to ensure that consumers and competition are protected. Two years ago, the *Title II Order* stripped the FTC of its jurisdiction over broadband providers by deeming them all Title II "common carriers." But now we are putting our nation's premier consumer protection cop back on the beat.

In sum, Americans will still be able to access the websites they want to visit. They will still be able to enjoy the services they want to enjoy. There will still be regulation and regulators guarding a free and open Internet. This is the way things were prior to 2015, and this is the way they will be in the future.

I appreciate your interest in this matter. Your views are important and will be entered into the record of the proceeding. Please let me know if I can be of any further assistance.



April 24, 2018

The Honorable Jeanne Shaheen United States Senate 506 Hart Senate Office Building Washington, D.C. 20510

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April 24, 2018

The Honorable Maria Cantwell United States Senate 511 Hart Senate Office Building Washington, D.C. 20510

Dear Senator Cantwell:

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April 24, 2018

The Honorable Mazie K. Hirono United States Senate 330 Hart Senate Office Building Washington, D.C. 20510

Dear Senator Hirono:

Thank you for your letter regarding the *Restoring Internet Freedom Order*, which reestablished the authority of the Federal Trade Commission to oversee the network management practices of Internet service providers while returning to the light-touch legal framework that governed such practices for almost twenty years.

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April 24, 2018

The Honorable Tammy Duckworth United States Senate G12 Dirksen Senate Office Building Washington, D.C. 20510

Dear Senator Duckworth:

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